

## Message Text

CONFIDENTIAL

PAGE 01 BONN 08529 01 OF 02 301127Z

12

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SWF-02 AID-20 CEA-02 COME-00 EB-11 FRB-02

CIEP-02 STR-08 TRSE-00 LAB-06 SIL-01 SAM-01 OMB-01

NIC-01 SAJ-01 AGR-20 DRC-01 /193 W

----- 084610

R 301116Z MAY 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 2852

INFO AMEMBASSY MOSCOW

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY DUBLIN

AMEMBASSY BRUSSELS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

USMISSION NATO BRUSSELS

AMEMBASSY LUXEMBOURG

AMEMBASSY BELGRADE

AMEMBASSY WARSAW

USMISSION BERLIN

AMEMBASSY BUDAPEST

AMEMBASSY BUCHAREST

AMEMBASSY PRAGUE

AMEMBASSY SOFIA

USMISSION OECD PARIS

USMISSION GENEVA

AMEMBASSY HELSINKI

C O N F I D E N T I A L SECTION 01 OF 02 BONN 08529

E.O. 11652: GDS

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 08529 01 OF 02 301127Z

TAGS: PFOR, ETRD, EEC, COMECON

SUBJECT: EC RELATIONS TO EASTERN EUROPE

REF: A. MOSCOW 7297; B. EC BRUSSELS 3420; C. BONN 4190  
SUMMARY: FRG FOREIGN OFFICE OFFICIAL EXPECTS CEMA RESPONSE VIA MOSCOW CHANNEL TO EC INITIATIVE BUT ONLY AFTER EC COUNCIL OF MINISTERS DECIDES ON THE FUTURE OF THE COMMON COMMERCIAL POLICY. THE FRG DOUBTS ANY CEMA RESPONSE WILL COME BEFORE THIS FALL. THERE IS A CHANCE THE JUNE 4 COUNCIL OF MINISTERS MEETING MAY DISCUSS THE FUTURE OF THE CCP. NO PROGRESS IS BEING MADE ON THE COMMISSION'S PRIOR CONSULTATION PROPOSAL DUE TO BRITISH OPPOSITION. END SUMMARY.

1. WE HAVE REVIEWED THE STATUS OF THE EC'S RELATIONS TO EASTERN EUROPE WITH FREITAG OF THE FRG FOREIGN OFFICE. WE DISCUSSED THE RECENT EC INITIATIVE TOWARD COMECON UNDERTAKEN IN MOSCOW; THE STATUS OF IMPLEMENTATION OF THE COMMON COMMERCIAL POLICY VIS-A-VIS STATE TRADING COUNTRIES, AND THE EC COMMISSION'S SUGGESTION FOR PRIOR CONSULTATION OVER BILATERAL ECONOMIC AGREEMENTS BETWEEN EC MEMBER STATES AND STATE TRADING COUNTRIES. FREITAG, AFTER NOTING THAT ALL THREE TOPICS WERE MORE OR LESS RELATED, MADE THE FOLLOWING COMMENTS.
2. EC-COMECON CONTACT IN MOSCOW. FREITAG SAID THAT THE FRG DOUBTED THERE WOULD BE A PROMPT RESPONSE BY THE SOVIETS OR CEMA TO THE EC INITIATIVE (UNDERTAKEN BY THE FRG'S AMBASSADOR IN MOSCOW, SAHM, ON BEHALF OF THE EC) SINCE THE APPLICATION OF THE EC'S COMMON COMMERCIAL POLICY TOWARD STATE TRADING COUNTRIES IS STILL A MATTER OF INTERNAL EC DISCUSSION. FREITAG SAID THE ISSUE OF APPLICATION OF THE COMMON COMMERCIAL POLICY AFTER JANUARY 1975 WAS ON THE AGENDA FOR THE JUNE 4 EC COUNCIL OF MINISTERS MEETING IN BRUSSELS, AND THE SOVIETS UNDOUBTEDLY WOULD WAIT UNTIL IT WAS CLEARER HOW THE EC WAS GOING TO RESOLVE ITS INTERNAL DISPUTES BEFORE MOVING AHEAD WITH CEMA-EC CONTACTS.
3. WITH REGARD TO THE CHANNEL FOR RESPONDING TO THE EC, FREITAG SAID THAT DURING THE FADEEV/SAHM TALK, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 BONN 08529 01 OF 02 301127Z

FADEEV ASKED SAHM IF HE COULD PROVIDE SAHM WITH THE CEMA EXECUTIVE COUNCIL'S ANSWER AND IF HE COULD CALL ON HIM IF HE HAD ANY OTHER QUESTIONS. SAHM SAID YES. PARTLY FOR THIS REASON FREITAG BELIEVES CEMA'S ANSWER WILL COME EITHER THROUGH THE FRG'S MOSCOW EMBASSY OR THROUGH THE FRENCH EMBASSY ONCE THE LATTER TAKES OVER THE COUNCIL PRESIDENT'S CHAIR. FREITAG SERIOUSLY DOUBTS THAT THERE WILL BE AN APPROACH

EITHER BY A CEMA REPRESENTATIVE IN BRUSSELS OR BY THE SOVIET EMBASSY IN BRUSSELS, SINCE THIS WOULD BE AN ADDITIONAL STEP TOWARD EC RECOGNITION WHICH NEITHER CEMA NOR THE SOVIETS WOULD WANT TO MAKE AT THIS TIME. HE DOUBTED THERE WOULD BE A MULTILATERAL APPROACH TO VARIOUS EC CAPITALS. FREITAG SAID A LOW LEVEL EXPERT GROUP, DRAWN FROM THE COMMISSION'S STAFF, COULD BE CREATED TO DISCUSS PROBLEMS WITH CEMA REPRESENTATIVES BUT HE FIRMLY REJECTED ANY HIGH LEVEL, MINISTERIAL MEETING AS SUGGESTED BY FADEEV.

4. WITH REGARD TO THE POSSIBLE FORM OF ANY AGREEMENT,, FREITAG SPECULATED THAT THE EC AND COMECON COULD SIGN A SHORT, GENERAL ECONOMIC AGREEMENT SIMILAR TO THE COMECON-FINLAND AGREEMENT. THIS BASIC EC AGREEMENT WOULD PROVIDE A COVERING FOR VARIOUS BILATERAL AGREEMENTS BETWEEN INDIVIDUAL COMECON STATES AND THE EC. FREITAG CHARACTERIZED THIS

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 BONN 08529 02 OF 02 301125Z

12

ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 SAM-01 SAJ-01 NIC-01 SWF-02 AID-20 CEA-02

COME-00 EB-11 FRB-02 CIEP-02 STR-08 TRSE-00 LAB-06

SIL-01 OMB-01 AGR-20 DRC-01 /193 W

----- 084601

R 301116Z MAY 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 2853

INFO AMEMBASSY MOSCOW

USMISSION EC BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY DUBLIN  
AMEMBASSY BRUSSELS  
AMEMBASSY ROME  
AMEMBASSY THE HAGUE  
USMISSION NATO BRUSSELS  
AMEMBASSY LUXEMBOURG  
AMEMBASSY BELGRADE  
AMEMBASSY WARSAW  
USMISSION BERLIN  
AMEMBASSY BUDAPEST  
AMEMBASSY BUCHAREST  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA  
USMISSION OECD PARIS  
USMISSION GENEVA  
AMEMBASSY HELSINKI

C O N F I D E N T I A L SECTION 02 OF 02 BONN 08529

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BONN 08529 02 OF 02 301125Z

SOLUTION AS THE GOAL OF COMECON. FREITAG EXPRESSED CONSIDERED CAUTION ABOUT HOW EC NEGOTIATIONS OVER ANY AGREEMENT WOULD BE CARRIED ON WITH CEMA AND ITS MEMBER STATES, GIVEN THE SOVIETS' OVERRIDING ROLE IN THE CEMA COUNCIL. IN PASSING, FREITAG SAID THIS AGREEMENT COULD COVER AN EXCHANGE OF REPRESENTATIVES SIMILAR TO THE EC REPRESENTATION IN WASHINGTON, BUT HE DID NOT ATTACH A GREAT DEAL OF IMPORTANCE TO THE FORM OF REPRESENTATION. IF DIPLOMATIC RECOGNITION CAME IT WOULD ONLY COME IN THE LONG TERM, ACCORDING TO FREITAG.

5. FUTURE OF COMMERCIAL RELATIONS WITH STATE TRADING COMPANIES. FREITAG SAID THIS ITEM WAS ON THE AGENDA FOR THE JUNE 4 COUNCIL OF MINISTERS MEETING, ALTHOUGH IT HAD A RELATIVELY LOW PRIORITY CONSIDERING THE NUMBER OF MAJOR ISSUES FACING THE COUNCIL, SUCH AS THE ITALIAN AND DANISH MEASURES, AND THE BRITISH DESIRE FOR RENEGOTIATION OF CERTAIN ARTICLES. HE CONSIDERED IT HIGHLY LIKELY THAT THE COMMON COMMERCIAL POLICY QUESTION WOULD BE PUT OFF TO THE NEXT MEETING. IN ANY EVENT, HE SAW ANY COUNCIL DECISION AS PLAYING A CRUCIAL ROLE IN CEMA CONSIDERATION OF HOW TO RESPOND TO THE MOST RECENT EC INITIATIVE.

6. COMMISSION SUGGESTION ON PRIOR CONSULTATION ON BILATERAL ECONOMIC AGREEMENTS. FREITAG SAID PROGRESS

ON THE COMMISSION PROPOSAL WAS BEING BLOCKED BY GREAT  
BRITAIN WHICH WANTED TO LIMIT THE PRIOR CONSULTATION  
REQUIREMENT TO DISCUSSIONS ABOUT JOINT COMMISSIONS  
ONLY WITH REGARD TO EASTERN COUNTRIES AND NOT WITH  
REGARD TO NON-EASTERN TRADING COUNTRIES I.E. THE  
ARABS.  
HILLENBRAND

CONFIDENTIAL

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** ECONOMIC COOPERATION, DIPLOMATIC DISCUSSIONS, INTERNATIONAL ORGANIZATIONS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 MAY 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974BONN08529  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D740136-0091  
**From:** BONN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t1974059/aaaaagzq.tel  
**Line Count:** 230  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** A. MOSCOW 7297; B. EC BRUSSELS 3420;  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** golinofr  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 01 APR 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <01 APR 2002 by cunninfx>; APPROVED <13 JUN 2002 by golinofr>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC RELATIONS TO EASTERN EUROPE  
**TAGS:** PFOR, ETRD, EEC, COMECON, CEMA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005